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RURAL FACTORY INDUSTRIES[1]

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INTRODUCTION

Rural industries, especially those that permit employees or members of their families to carry on small-scale farming operations of a subsistence character, have been attracting considerable attention in recent years largely as a result of two series of problems emanating from or intensified by the depression. The first is the widespread unemployment among wage earners, especially those in the cities whose livelihood is almost wholly dependent upon the regular receipt of pay envelopes from their usual employment. The second is the plight of a large group of people who have been trying to eke out a bare existence by farming lands that possess very limited agricultural possibilities, especially from a commercial point of view. Competition with better lands has been increasing with the development of power farming applicable chiefly to large areas of level land. The severe price deflation of the depression has made it next to impossible for many such handicapped small-scale farmers to get even enough cash income to meet their taxes and any fixed charges they may have to pay. Yet the advance of civilization, if it reaches these people at all, requires larger cash expenditures to provide those commodities and services that the individual farm cannot produce.

In the belief of many people one partial solution of industrial instability lies in the relocation of factories so that the employees

[1] This study was planned and initiated by Dr. Charles J. Galpin, Chief of the Division of Farm Population and Rural Life. Mr. Nason did the field work and prepared the preliminary manuscript. Dr. Manny assisted in the working out of schedule forms, planned and supervised the tabulation of data, and wrote the final manuscript which is based largely on the preliminary report.

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may reduce in part their dependence upon wages by producing some of their needed foods and by effecting other economies in living costs that are possible in a rural environment. Likewise, it is held that a partial solution to the predicament of many farm families living in agriculturally handicapped areas is to offer them part-time employment in factories or small workshops or other types of nonagricultural employment near their homes. A combination of subsistence farming and industrial employment is thus suggested for both groups.

To combine farming with manufacturing is no innovation. It was the prevailing system during much of the handicraft era that preceded the industrial revolution. Nor did this combination disappear during the nineteenth century when the tendency was to locate most new factories where power (water or coal) and nonfarm labor were plentiful, or raw materials (especially bulky materials) were to be found. Several new developments, however, have made it economically possible to locate in rural areas many types of manufacturing plants which were formerly situated in or immediately adjoining the larger cities. Leading among these developments are the use of electric-driven machinery and the transmission of electric power over long distances at very low cost, the building of pipe lines for gas and oil, and the building of good rural roads over which large-capacity motor trucks can be operated efficiently.

Moreover, these and other recent developments have removed some of the major handicaps formerly put up with by people living outside the densely populated areas. Electric lights, water under pressure, sewage disposal, telephones, and mail service when added to an all-weather road and the possession of an automobile make living in the country at not too great a distance from one's work economical, healthful, and otherwise attractive.

The 1930 census sheds some light upon the rural industrial situation. Among the 8,433,280 gainfully employed individuals 10 years of age or older in the rural nonfarm population (living outside of incorporated places of 2,500 or more), 2,451,493, or 29.1 percent, are listed as employed in manufacturing or mechanical industries much of which is factory or shop work, 1,023,192 are employed in various branches of the transportation industry, and 894,096 are employed by farmers. Out of a total of 10,645,089 persons 10 years of age or older in the rural farm population, 447,726, or 4.2 percent, are similarly employed in manufacturing or mechanical industries, 198,152 in the transportation industry and 9,141,362 are gainfully employed in agriculture.[2]

But this does not tell the whole story, especially for the farm population. Among the 6,288,648 farm operators (all listed above as gainfully employed in agriculture), 1,902,898, or 30.3 percent, reported that they worked off their farms for pay 1 or more days during 1929 or an average of 100 days per farmer reporting.[3] No data were secured concerning the kinds of work involved.

Some of this employment, particularly in the South, undoubtedly consisted of wage labor performed for neighboring farmers. Unquestionably, however, a very significant amount of this part-time employment of farm operators for wages was nonagricultural in

[2] UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS. FIFTEENTH CENSUS OF THE UNITED STATES: 1930. POPULATION. V. 3, pt. 1. . . ., p. 22. 1932.

[3] ——— FIFTEENTH CENSUS OF THE UNITED STATES: 1930. GENERAL REPORT ON AGRICULTURE. V. 4, ch. 5, p. 128. 1932.

nature, probably much of it being performed in rural factories, shops, or mines. Since the question was not so worded as to include part-time gainful self-employment for farm operators, the figures do not give a total account of the attempts of many farm operators to augment their farm incomes by other lines of work.

Improvements in agricultural technology, especially in farm machinery, have had the effect of reducing the amount of labor needed on existing farms. The resulting surplus farm population for many years found opportunities either in nonagricultural employment or in developing new farm lands in previously undeveloped territory. But with the exhaustion of supplies of free land and later with much unemployment in most nonagricultural pursuits, the surplus labor on farms since 1929 has tended increasingly to remain there. In addition, many city unemployed have migrated to established farms and to abandoned farms, or are trying to obtain some of their needed foods by developing new small farms, often on land that is not suitable for the purpose. The result is that the surplus labor on farms in 1933 probably exceeded numerically any corresponding surplus in the history of this country.

OBJECTIVES, METHOD, AND SCOPE

In 1930, as one part of a comprehensive survey of economic and social conditions in the southern Appalachians, the Division of Farm Population and Rural Life made a study of the rural industries other than farming then operating in Knott County, Ky., to learn the contribution of these industries to farm incomes and to rural living conditions. A preliminary report of this study has been issued.[4] The industries operating in Knott County were largely the so-called handicraft, fireside, or small-shop type with the exception of sawmilling, stone quarrying, and coal mining. None were factories.

The present study has practically the same objective except that it was expanded to include a brief analysis of the community effects of rural industrial developments in addition to their financial contributions to farm family incomes. The producing units (except the barrel shops, an automobile body shop, and a small pottery) were factories using power-driven machinery or other equipment of larger size than that found in the handicraft, farm shop, or other small-scale production units (except sawmills) included in the earlier study. A few of the factories in the present study, however, send out partially completed articles to surrounding homes where certain steps in the manufacturing process are undertaken. Then, in contrast to the earlier study, the present one does not include all of the manufacturing industries operating in any one county, but consists of brief studies of manufacturing units scattered over 15 States east of the Missouri or Mississippi Rivers. All of these factories are situated either in towns having populations (with two exceptions) of 6,000 or less in 1930, or in the open country not adjacent to larger incorporated places, and all but two employ some farm people on a full- or part-time basis.

In the main body of the report, the producing units are discussed in three separate groups. The first includes 102 factories and 2 shops whose plant valuations are $200,000 or less. Many of these are locally owned but a few are branch factories controlled by outside

[4] NASON, W. C. RURAL INDUSTRIES IN KNOTT COUNTY, KENTUCKY. U.S. Dept. Agr., Bur. Agr. Econ. 24 pp. December 1932. [Mimeographed.]

interests. All but 2 had some farm residents on their pay rolls at time of interview while these 2 were situated in the open country and bought much of their raw materials from neighboring farmers. This class of factory units (for the commodities they manufactured) seemed to represent a somewhat closer tie-up between farm and factory than the class that follows, hence more details were obtained concerning them.

The second group consists of 19 plants having valuations in excess of $200,000. Originally it was intended to confine the study to factories of lower value, but contacts in the field indicated that these factories, likewise located in the smaller towns or open country, were also making significant additions to the incomes of a considerable number of farm families living in the vicinity. Fewer factories in this class, however, are subject to local financial control and as a rule they do not seem to be quite so much an integral part of the rural picture as the first group.

The third group consists of 15 barrel factories located on the Eastern Shore of Maryland and Virginia. These units are but handpower workshops in which staves, hoops, and heads manufactured elsewhere are made into finished barrels that are used in marketing the Shore's large crops of potatoes and sweetpotatoes. Their operations are highly seasonal in character and are on too small a scale to be included with the other units that were studied.

For many of the localities in which factories of the first two groups were operating, some additional information was obtained from farm residents employed by these factories and from leading business, civic, and professional people not connected with the factories. The statistical data on these schedules (from 132 employees and 194 leaders) have been tabulated and summarized. In the present report, however, only the major opinions expressed by these people are given, chiefly in descriptive form. The statistical data will be made available to interested parties upon application.

The data were gathered on several field trips made between December 1931, and September 1932. For the barrel industry, the data apply to the calendar year 1930. For all other units the data are for the calendar year 1931 except as qualified by footnotes below four of the tables.

Much of the statistical information concerning the factories was secured from their records. If the records did not furnish the information called for, careful estimates were requested from the officials. In numerous instances such estimates represent the combined judgments of several people. Tables containing such statistical estimates are headed accordingly. It is believed that these estimates give a reasonably accurate picture of the situations to which they apply.

The opinion replies given by factory officials may contain a slight bias favorable to the rural locations since many of the men who were interviewed were either natives or long-time residents of these places, although some of them had had experience in other factories employing mostly urban help. The opinion replies of the employees may be biased a little in favor of their employers, since the schedules were taken largely at the factories on "company time" though not in the presence of the officials. The type of questions that were asked of them should not ordinarily stimulate sufficient bias to becloud the major facts.

The schedules obtained from other local citizens are more subject to bias because of the prevalent "boost-our-home-community" attitude, an attitude that is by no means confined to the cities and larger towns. Here again it is felt that the bias does not obliterate the facts, though it may give some of them more prominence than actual conditions warrant. In other words, the reader is not likely to be greatly influenced by the evident optimism underlying the opinions given in the report.

Within the main objectives of the study—to show the contribution of representative rural factories to the income of farm families and to the general welfare of the rural communities—these possible sources of bias are not sufficiently serious to becloud or distort the results. It must be remembered, however, that the cases studied are all instances of successful operation that had weathered at least 2 years of serious depression without going to the wall. They are thus not typical of *all* factories, either rural or urban, since in both locations factories fail after longer or shorter periods of operation even in relatively prosperous times. This study does not include to any extent the causes of success of the units that were surveyed, nor did the field work include inquiries into the reasons for failure of others that have passed out of existence.

FACTORY UNITS VALUED AT $200,000 OR LESS

LOCATION OF FACTORIES AND TYPES OF INDUSTRY REPRESENTED

A total of 102 factories and 2 shops is included in this group whose plant valuations mark them as relatively small-scale units. Their distribution by States and their classification by major type of industry are given in table 1. North Carolina, Pennsylvania, and Virginia lead in the number studied, while 1 to 6 instances were included in the remaining 11 States. Nine were situated in the open country; 30 in villages of 1,000 population or less (1930 census); 20 in villages of 1,001 to 2,000; 13 in towns of 2,001 to 3,000; 10 in towns of 3,001 to 4,000; 10 in towns of 4,001 to 5,000; 11 in towns of 5,001 to 6,000; and 1 (a farmer-owned factory) was situated at the edge of a town of 9,358 persons.

TABLE 1.—*Location, by States, of factories having plant valuations of $200,000 or less whose officials were interviewed, classified by major types of industry, 1931*

State	Factories in various States classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous [1]	
	Number	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
Georgia	4						4
Indiana	2	2					4
Iowa	2						2
Maryland			2				2
Massachusetts	2	1		1	1		5
Michigan	1	1					2
Minnesota			1		1		2
New York	2	1		1		1	5
North Carolina	17	14	1	1	1	2	36
Ohio	1	1	1		1		4
Pennsylvania	12			3		1	16
South Carolina	1						1
Virginia	5	5	3		1	1	15
West Virginia	5	1					6
Total	54	26	8	6	5	5	104

[1] Includes 2 broom factories, 1 fertilizer factory, 1 plow factory, and 1 automobile-body factory.

The 54 textile factories include the following: 29 mills producing woven or knit goods of silk, wool, cotton, or rayon or combinations of these (12 being hosiery mills); 17 garment factories; 3 clothing-accessory factories; 1 dyeing and winding factory (yarns and thread); 1 cordage mill; 1 mop factory; 1 factory producing cloth labels; and 1 factory making various articles from linen cloth.

The forest-products industry includes 17 furniture and chair factories, 5 basket factories, 2 veneer mills, 1 handle factory, and 1 factory making wooden loom shuttles. Seven fruit and vegetable canneries and 1 meat-packing plant comprise the food-products group. The leather industry is made up of 5 shoe factories and a tannery. The clay and glass industry is represented by a concrete-products factory, a small hand-operated pottery, an asbestos-product mill, a cut-glass factory, and a mirror factory. The miscellaneous classification includes 2 broom factories, a plow factory, an automobile-body shop, and a fertilizer factory.

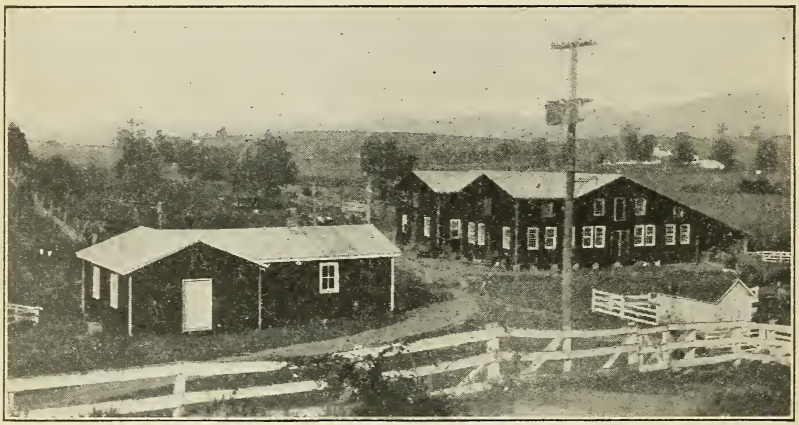

FIGURE 1.—Factory and exhibit building for the reproduction and sale of antique furniture. It is located in the open country and owned and operated by a farmer. It was established in 1830 by the owner's grandfather

ORIGIN AND YEARS OPERATED IN PRESENT LOCATION

The way in which the 104 factories originated in the localities in which they were studied, and the length of time they have been in operation in these places are given in table 2. Most of the factories were new establishments when they began operations in these localities although a few, principally in the textile industry, were relocated from other places or were new branches set up by concerns having other factories elsewhere.

The number of factories in each age grouping is rather uniform for the total number, almost as many having operated 20 years or more in the same locality as were started in the most recent period (0 to 4 years). The textile factories give evidence of more expansion in recent years and the forest-products and leather factories appear,

on the whole, to have relatively the longest operating records among those studied. The sample does not appear to include any of the "fly-by-night" factories that have made many rural communities skeptical of all factory developments in their localities.

TABLE 2.—*Incidence in present location and number of years factory has been operating in present location as reported by officials for factories having plant valuations of $200,000 or less, classified by major type of industry, 1931*

Item	Factories classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
Incidence in present location:	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
New establishment	38	23	8	3	3	4	79
Relocated factory	8	2		1	1		12
New branch factory	7	1		2	1		11
No information	1					1	2
Total	54	26	8	6	5	5	104
Period in present location:							
0 to 4 years	20	6	2				28
5 to 9 years	13	5	2	1	3	1	25
10 to 19 years	13	5	3	2	2	2	27
20 years or more	8	10	1	3		2	24
Total	54	26	8	6	5	5	104

The plant valuations of the several factories, grouped by industries, are shown in table 3. The smallness of the sample for some of the industries represented, and the variety of manufacturing activities included, make it impossible to generalize concerning typical investments in such rural industries. The most significant facts shown in this table are that half of the plants are valued at $50,000 or less each, and that within most of the industrial groups represented are wide variations in plant values. This variation is shown yet more pointedly in the case of the textiles by subdividing them into smaller groups. The most frequently reported plant valuation for the 29 spinning and knitting mills was $150,001 to $200,000 (8 instances) but 5 were valued at $25,000 or less each and 4 more at $25,001 to $50,000. None of the 17 garment factories exceeded $100,000 in value, 11 being valued at $25,000 or less. Two of the clothing-accessories factories were valued at $25,001 to $50,000 and 1 between $100,001 and $150,000. The dyeing and winding factory was also valued between the last named brackets, the cordage mill at $150,001 to $200,000; the cloth-label factory and the factory making various household articles from linen cloth at $50,001 to $100,000 each; and the mop factory at $5,000 or less. Many seem to be operating in plants having comparatively low valuations. In fact, with the consequent low fixed charges, this may account in part at least for their continued existence in highly competitive markets.

TABLE 3.—*Number of local factories with specified plant valuations of $200,000 or less, classified by major type of industry, as of 1931*

Value of local plant	Factories classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
	Number	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
$5,000 or less	2	5			1	2	10
$5,001 to $10,000	3	2	2				7
$10,001 to $25,000	12	4			2	1	19
$25,001 to $50,000	9	6		1			16
$50,001 to $75,000	4	1	1			1	7
$75,001 to $100,000	7	2		2	2	1	14
$100,001 to $150,000	8	2	1	2			13
$150,001 to $200,000	9	4	1	1			15
No information			3				3
Total	54	26	8	6	5	5	104

OWNERSHIP INTERESTS, LOCAL AND OTHERWISE

The approximate extent to which local farmers, other local people, and individuals living elsewhere are financially interested in the factories surveyed is indicated in tables 4 and 5. In the case of a few factories that are branches of large concerns with headquarters in distant cities, the estimates concerning the geographic and farmer classification of ownership interest may not be so accurate as the others. In such cases as this, however, unless the local branch factory was bought through an exchange of securities (in which case the amount of the purchase and the present ownership of such securities was usually known by those interviewed) the amount of local investment in the parent company is likely to be negligible.

TABLE 4.—*Number and percentage of all investors who are local farmers, other local people, or who live elsewhere as estimated by officials of factories having plant valuations of $200,000 or less, classified by major type of industry, as of 1931*

Major type of industry	Investors						Total	
	Local farmers		Other local persons		All other persons			
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Textiles [1]	723	34.9	402	19.4	946	45.7	2,071	100
Forest products	131	36.9	203	57.2	21	5.9	355	100
Food products [2]	1,625	98.7	21	1.3			1,646	100
Leather products and tanneries	56	17.3	168	52.0	99	30.7	323	100
Clay and glass products			14	63.6	8	36.4	22	100
Miscellaneous	36	46.1	40	51.3	2	2.6	78	100

[1] 2 factories did not report the number of investors, but none were local residents.
[2] 1 factory did not report the number of investors, but all were local farmers.

TABLE 5.—*Percentage of total investment owned by local farmers, by other local people, and by people living elsewhere as estimated by officials of factories having plant valuations of $200,000 or less, classified by major type of industry, as of 1931*

Major type of industry	Investors			Total
	Local farmers	Other local persons	All other persons	
	Percent	*Percent*	*Percent*	*Percent*
Textiles	9.3	44.1	46.6	100
Forest products	11.2	82.5	6.3	100
Food products	67.5	32.5		100
Leather products and tanneries	3.4	33.4	63.2	100
Clay and glass products		58.0	42.0	100
Miscellaneous	30.2	62.0	7.8	100

Local farmers appear to have a controlling interest in the food-industry factories and a fairly significant financial investment in the miscellaneous group. Although the number of farmer investors runs fairly high in the case of textiles and forest-products factories, they do not seem to have sufficient funds invested to exercise much control over most of these plants. Yet in individual instances the local farmers have a controlling interest in one or more factories of most of the major industrial classes represented.

Other local persons apparently exercise a controlling interest over most of the factories in the forest-products, clay- and glass-products, and miscellaneous groups by reason of their financial investments in these manufacturing units. Control by outside capital is most pronounced in the leather-products group but doubtless also dominates the picture in the case of many individual factories in the textile mills and in the clay- and glass-products factories.

A corporate form of organization was involved in the ownership and operation of 83 of the 104 factories studied, 13 factories were owned by individuals, and 8 by partnerships. Most of the factories owned by individuals and partnerships were those having comparatively low plant valuations. Several factory units owned by corporations at the time of the study, were formerly owned by individuals or partnerships. Expansion of operations, financial considerations, changes in ownership, etc., led to subsequent sale to or reorganization as corporations.

SOURCES AND AMOUNTS OF POWER USED

In the 104 factories electricity was used as a source of power by 84, steam by 25, gas by 3, water by 2, and fuel oil by 2; several factories reported two or more sources. The small pottery shop, on the other hand, used only hand power and is not considered further in this section.

The amounts of power used were estimated simply in terms of the horsepower capacity of the power units in the factories. Owing to marked variations within most of the classifications by major type of

industry, simple averages are not reliable indicators of the power requirements of the factories. For the textiles, the power units in use ranged from two electric motors rated at 3 horsepower each in a small shirt factory to 700 horsepower supplied in part by water turbines and in part by electric motors for cotton mill. Considerably more than half the textile factories were using equipment of less than 100 horsepower each. The forest-products group reported requirements ranging from a 15-horsepower internal-combustion engine in a factory making partially completed wooden loom shuttles to a 600-horsepower steam engine in a chair factory. Eight were using 200 or more horsepower per factory, 5 were using 100 to 199 horsepower each, and the rest required lesser capacities.

The 6 factories comprising the leather-industry group all used electric motors, totalling 61 to 200 horsepower per factory. Four food-products plants reporting on this item listed their requirements as 10 to 400 horsepower. The clay- and glass-products group ranged from 50 to 800 horsepower per factory, but 3 of the 4 plants reporting gave 50 to 60 horsepower in electric motors as their requirements. The miscellaneous group used 5- to 90-horsepower engines, practically all of these being electric motors. This predominant use of electric power, most of which was secured from central generating plants over rural power-transmission lines instead of being generated at the individual factories, is one evidence of a changing industrial order that seems to make it practicable to locate many different types of manufacturing plants in rural areas, often many miles from any large city.

REGULARITY OF EMPLOYMENT

All but 10 of the 104 factories were in operation at the time the officials were interviewed. Of these 10, however, 8 were strictly seasonal in character operating only during a part of each year, and 2 had remained closed for several months because of depressed markets. Six additional factories, in contrast to those operating seasonally, were run intermittently, producing for the most part only as specific orders were received. The remainder were operated practically the entire year though not all of their employees were kept continuously on a full-time basis.

The number of persons employed by 3-month periods and the number employed on a full-time or part-time basis, by residence on farms or elsewhere, is shown in table 6. The greatest extent of seasonal variation exists in the food-products industry, most of the plants being canneries whose operations (other than storing and shipping) are carried on during comparatively short periods as the crops mature. One factory in this group is a meat-packing plant that runs continuously with practically no seasonal fluctuation in labor requirements. Some individual factories in the textiles group have changing labor needs at various seasons of the year as shown by the difference between the maximum employment figure and the number hired during any of the 3-month periods. The level of employment in the other four classified industrial groups does not seem to change greatly from one season to the next.

TABLE 6.—*Season of employment, regularity of employment, and place of residence of employees on farms or elsewhere, as estimated by officials of factories having plant valuations of $200,000 or less, classified by major type of industry* [1]

Item	Employees, classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
Season of employment:	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
Spring	5,759	1,687	105	1,734	196	69	9,550
Summer	5,764	1,664	871	1,717	216	62	10,294
Fall	5,738	1,724	355	1,717	226	68	9,828
Winter	5,726	1,712	195	1,694	176	61	9,564
Maximum number of persons employed at any time during the year [2]	6,016	1,769	981	1,734	226	69	10,795
Regularity of employment, by residence of employee, farm and nonfarm:							
Full time:							
Living on farms	1,591	456	32	325	64	6	2,474
Living elsewhere	3,906	1,167	73	1,352	132	55	6,685
Total	5,497	1,623	105	1,677	196	61	9,159
Part time:							
Living on farms	134	43	317	4		1	499
Living elsewhere	385	103	559	53	30	7	1,137
Total	519	146	876	57	30	8	1,636
All employees:							
Living on farms	1,725	499	349	329	64	7	2,973
Living elsewhere	4,291	1,270	632	1,405	162	62	7,822
Total	6,016	1,769	981	1,734	226	69	10,795

[1] As of 1931 for all but 1 factory for which 1929 data were secured.
[2] The maximum number exceeds the total reported for any 1 season since not all of these industries reached a peak of employment during the same 3-month period.

The distinction here made between part-time and full-time employment requires a word of explanation. Part-time employees are those who are hired for only a portion of the year in factories operated on a seasonal or intermittent basis, or who regularly work less than the usual number of hours per week for full-time employees in factories operating practically the year round. On the other hand, it should be pointed out that during 1931 some of the factories included in the study which normally operate each week day were shut down for short periods or operated on a reduced number of hours or days per week. Employees in these factories who worked regularly as long as the factories were open were counted as being on a full-time basis.

Employees living on farms constituted 27.5 percent of the total number of persons working in the 104 factories. Employees living on farms obtained about as much work proportionally as those living elsewhere, since 83.2 percent of the former and 85.5 percent of the latter were reported as full-time workers.

Among the employees living on farms, 1,419 were males (of whom 357 were said to be farm operators) and 1,554 were females. The corresponding figures for employees living elsewhere are 4,182 males and 3,640 females. In the case of the farm people, a relatively larger number of the men evidently were engaged in farming or in other occupations, while in the case of nonfarm residents a higher proportion of the men apparently depended upon factory employment for a livelihood.

The range in average number of days worked during the year, as estimated by the factory officials who were consulted, is given in table 7. The seasonal or intermittent character of some of the plant operations is indicated by these figures. The way in which the data were secured in the field made it impossible to secure weighted averages either by classes of employees or by types of industry. Thus the unweighted averages in the lower half of table 7 are probably too low in most cases because a majority of those factories which had the larger number of employees apiece (with the exception of six in the foods group) operated more nearly continuously throughout the year for which the estimates were obtained than was true of several having small numbers of employees per factory. The comparison in regularity of employment by residence, although the numerical figures are too low, is relatively correct. This is because the differences in number of days worked by employees of both sexes living on farms or elsewhere show only minor variations except in the cases of a few factories that do not happen to have as employees persons of both sexes with some of each living on farms and living elsewhere. Apparently there was no evidence of discrimination as to residence in the hiring policies of the 104 factories studied.

TABLE 7.—*Range in average number of days of employment furnished by individual factories and average of average number of days employment during the year, for employees living on farms and elsewhere, male and female, as estimated by officials for factories having plant valuations of $200,000 or less* [1]

Item	Days worked during the year classified by major type of industry					
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous
Range in average annual employment for employees living:						
On farms:	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
Male	70–300	100–275	30–260	240–300	200–300	140–275
Female	70–300	200–290	30–100	240–300	210–280	----------
Elsewhere:						
Male	160–300	100–300	30–260	240–300	150–280	225–275
Female	60–300	190–300	30–260	240–300	210–280	250–300
Average of average annual employment for employees living:						
On farms:						
Male	236	219	98	271	248	235
Female	244	256	65	273	245	----------
Elsewhere:						
Male	251	221	97	268	222	259
Female	240	241	102	273	245	267

[1] As of 1931 for all but 1 factory for which 1929 data were secured.

The average number of hours per week for full-time employees varied from 40 to 62, according to the interviewed officials. Of all these factories, however, only 7 had work schedules below 50 hours per week. If the time going to and from work is added to these figures, the amount of time left for working on farms or even subsistence gardens appears to be decidedly restricted. Doubtless much of the farm work is performed by other members of the family.

WAGES AND PAY ROLLS

Wage statistics for the factories reporting are given in table 8. Salaries of executives or plant superintendents are not included. Variations in maximum and minimum average wages as between employees living on farms and elsewhere, for those of the same sex, seem to be due almost entirely either to differences in types of labor employed or to the fact that some factories paying the highest or lowest wages in each industrial group did not hire farm or nonfarm residents of both sexes. In other words, no individual factory appeared to be making variations in wages due to the residence of the employee—all persons of either sex hired by the same factory to do the same grade of work were paid at the same rate. However, differences between the sexes are very noticeable. Only in one industrial classification does the maximum paid to a woman worker exceed that paid to a man, though within the reports of individual factories there are perhaps 2 or 3 additional instances.

TABLE 8.—*Range in average daily wage paid by individual factories and average of average daily wage paid during the year to employees living on farms and elsewhere, male and female, as estimated by officials for factories having plant valuations of $200,000 or less* [1]

Item	Wage paid during the year classified by major type of industry					
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous
Range in average daily wage for employees living—						
On farms:	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Male	1.00–5.00	1.70–3.60	1.50–3.50	2.50–4.25	2.00–3.60	2.00–4.00
Female	.80–4.00	1.00–4.00	1.00–2.00	2.00–3.12	2.25–2.70	----------
Elsewhere:						
Male	1.75–5.00	1.25–3.60	1.50–3.50	2.50–4.25	2.70–3.60	2.00–2.75
Female	1.00–4.00	1.00–2.50	1.00–3.50	2.00–3.12	2.25–2.70	1.75–2.75
Average of average daily wage for employees living—						
On farms:						
Male	2.86	2.42	2.14	3.10	3.06	2.70
Female	1.93	2.20	1.54	2.47	2.48	----------
Elsewhere:						
Male	2.96	2.42	2.12	3.10	3.32	2.38
Female	1.96	1.76	1.82	2.47	2.48	2.25

[1] As of 1931 for all but 1 factory for which 1929 data were used. Average wages do not include the salaries of company executives or plant superintendents.

The lower half of table 8 contains unweighted averages of the average wage rates reported by the several factories for each employee classification. The comparisons by sex and residence are more reliable than are those between industries. The bias in these averages is probably less marked than in the case of average number of days worked per year since variations between maximum and minimum wages were less extreme than were variations in average number of days worked.

Most of these wage rates seem low, but it must be kept in mind that the employees are residing in areas in which living costs are likewise considerably lower than they are in cities. Furthermore, a significant proportion of these workers live on farms and their wages (es-

pecially in the case of the farm operators themselves who also work in factories) constitute an important supplement to the cash farm incomes of the same workers.

The pay rolls of 99 factories were secured, all applying to 1931. They totaled $6,010,532. Of this amount probably something over $1,000,000 went to employees living on farms. The total pay rolls by major types of industry were reported as follows: 53 textile factories, $3,336,831; 26 forest-products factories, $916,506; 4 food-products factories, $130,546; 6 leather or leather-products factories, $1,395,434; 5 clay- and glass-products factories, $193,693; and 5 miscellaneous factories, $37,522. Most of these rural factories appear to be making a considerable contribution to the total cash incomes of their respective communities.

TRANSPORTATION OF EMPLOYEES

In rural areas, especially those in which local public transportation facilities do not exist, the problem of getting to and from work may be rather serious. This difficulty has sometimes been raised as one argument in favor of the compact rural-industrial village usually company owned and controlled. In the present study the problem of transportation to and from work was raised both with the factory officials and with the employees who were interviewed.

Automobiles or busses or both were reported as furnishing the chief or sole means of transportation for the employees in all but 5 of the 101 factories whose officials furnished information on this question. Other methods of going to and from work (chiefly walking) were mentioned only as applying to a few of the workers. In a number of instances groups of employees were cited as having worked out plans of sharing expenses so that fewer automobiles would be required. Costs were about 15 cents per day per person under these arrangements. A few factories were running busses into the surrounding rural territory to pick up their workers. In 1 or 2 instances this service was being provided free to employees and in others a nominal charge of 10 cents per day was made. Few employees were paying over 25 cents per day for transportation except a small number using their own cars without carrying others to help defray expenses. Most of the employees lived only short distances from the factories though some traveled 15 miles or more daily.

The need of all-weather roads radiating from the factory (and in the north the need of snow removal) as part of the environment making for regularity in reporting for work and for economical and reasonably rapid transportation of workers and commodities is clearly seen.

RAW MATERIALS AND FINISHED PRODUCTS

A classification of sources of raw materials and their relation to agriculture appear in table 9. The term raw materials is used here in a relative sense. Thus the raw materials for most of the garment factories consist of piece goods, thread, buttons, etc., all products of other factories, and raw materials for the canneries consist primarily of local farm products. Fuel, power, water, and commodities that do not emerge as an integral part of the finished product (such as packaging materials or office supplies) are omitted.

TABLE 9.—*Source of raw materials and relation of raw materials to agriculture as reported by officials for factories having plant valuations of $200,000 or less, classified by major type of industry, 1931* [1]

Item	Factories classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
Source of raw materials: [2]	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
From local farms	15	52	20	2	1	8	98
Elsewhere in local community	6	1					7
Brought in from other parts of the United States	110	51	1	21	7	12	202
Imported from foreign countries	6	3			2	4	15
Total	137	107	21	23	10	24	322
Relation to agriculture:							
A product of farms locally or elsewhere	100	43	20	16	3	12	194
In part a product of farms	21	7		2			30
Nonfarm material entirely	10	19		5	7	12	53
Total	131	69	20	23	10	24	277

[1] The term "raw materials" includes all physical commodities used by the factories except water, fuel, and packaging.

[2] Some of the raw materials were mentioned as coming from more than 1 source.

There are marked differences in the extent to which the various types of factories depend upon the local community and other places as sources of raw materials. The forest- and food-products industries appear to rely upon local sources to a much greater extent than do the others. The perishability and economical transportability of the various kinds of raw materials used by each factory are important determiners of suitable locations, though many other factors likewise have an important bearing.

These 104 factories lean rather heavily upon agriculture as the direct or indirect source of the various raw materials they use (fig. 2). If packaging were added (containers for the canneries) the tabulation in the lower half of table 9 would be somewhat different but it might not change greatly the relative importance of the items. But the way in which the questions were asked of the factory officials precludes a more complete analysis at this point.

The amounts of money paid to local farmers for raw materials by 40 factories, and the value of their finished products are shown in table 10. Purchases from farmers added nearly a million dollars to the money put into circulation through the pay rolls. It is probable that a number of these same factories made other local purchases as well. Especially in a year of low prices and less than full-time operation, these sums of money constitute no inconsiderable asset to the communities in which the factories are situated. Living standards of a number of farm and nonfarm families are probably higher as a result of the presence of such factories.

TABLE 10.—*Value of raw materials bought from local farmers and value of finished products as reported by officials for factories having plant valuations of $200,000 or less, classified by major type of industry* [1]

Item	Costs and values classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
Cost of raw materials bought from local farmers [2]	*Dollars* 242,994	*Dollars* 197,921	*Dollars* 365,713	*Dollars* 100,000	*Dollars* 476	*Dollars* 2,450	*Dollars* 909,554
Value of finished products	15,265,360	3,464,427	1,081,078	5,653,244	1,514,203	309,235	27,287,547

[1] The term "raw materials" includes all physical commodities used by the factories except water, fuel, and packaging. As of 1931 for all but 1 factory for which 1929 data were obtained.

[2] The number of factories, by major type of industry, reporting the purchase of raw materials from local farmers is as follows: Textiles, 6; forest products, 22; food products, 8; leather products and tanneries, 1; clay and glass products, 1; miscellaneous, 2.

The data relating to value of finished products turned out by the factories are given chiefly as indicative of their value-creating power,

FIGURE 2.—Interior of a canning plant owned and operated by local farmers. It is in the Tennessee Valley development area.

recognizing that the year to which the figures apply was an abnormal one at least when compared with most of those of the preceding decade.

PROCESSES CONDUCTED IN THE HOME

A third form of income resulting from the presence in local communities of some of the factories included in this study is found in payments for piecework carried on in the surrounding homes as a part of the manufacturing process. Five factories (4 furniture and chair factories and 1 knitting mill) reported payments of this type for 1931 totaling $27,751. The piecework was done by 333 families of whom 257 receiving $22,039 were living on farms.

The home work done for the furniture factories consists of chair bottoming or caning (fig. 3). Factory trucks carry the chairs to

and from the homes. Most of the caning is done by women, and the factory managers reported that their aim was to give this work principally to families in need. One farm home maker with an invalid husband and four children stated that the $350 she received in 1931 for caning chairs made it possible for her to retain their farm and home which was about to be sold under foreclosure. Another farm home maker with seven persons to be supported said that her income of $360 from this work as a supplement to what little cash income the farm produced kept the family from actual distress although their living was still very meager.

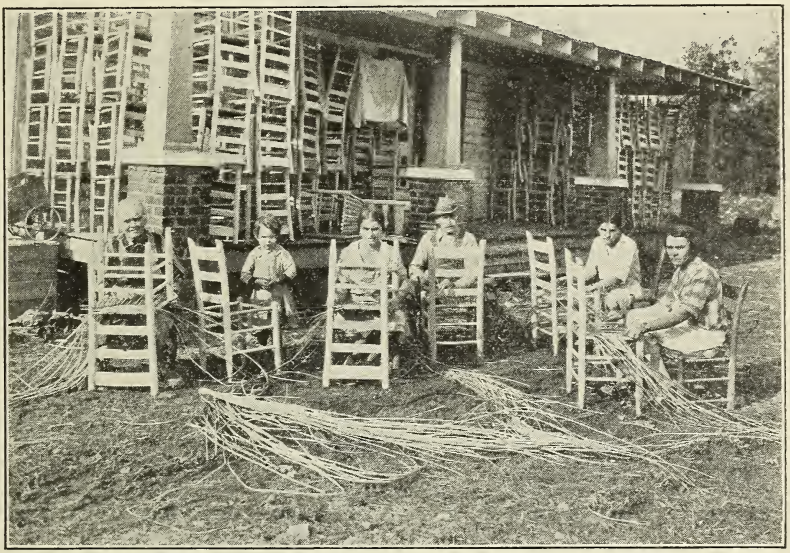

FIGURE 3.—A farm family supplements its farm income by bottoming chairs as home work for a furniture factory 8 miles away.

THE LABOR SITUATION

That the factory officials were well satisfied with the labor living on farms but employed in their factories is evident in their classified replies to a question on the subject (table 11). Several short statements of factory officials may be quoted:

TABLE 11.—*Replies of factory officials to question: "How satisfactory is labor from neighboring farms in the operation of your factory?" for plants having a valuation of $200,000 or less, 1931*

Reply	Total
	Number
Farm labor is very satisfactory on the whole	96
Farm labor is usually better than town or city labor	86
Farm labor is equal to town or city labor	25
Farm labor is inferior to town or city labor	8
No labor troubles result with the use of farm labor	7
Factory officials and farm labor are more homogeneous than factory officials and town or city labor	2
Other replies	2
Total [1]	226

[1] Many officials gave 2 or more of the classified replies.

Farm labor is very good, far more desirable than city labor. It is easier to handle, steadier, and has a lower turn-over. (Furniture-factory official.)

Farm labor is a very good type, better than we could ever get in the city. [These workers] are more regular, take more interest, do their work and go home, have no outside diversions, are not always finding fault. (Textile-mill official.)

Surprised; never realized that laborers from the farms have the ability they have. They are better than town laborers, and take greater interest in their work. All our foremen except one are farmers, trained by us. They are not so quick to grasp some things as townspeople but they remember better. They try to progress. (An official of a hosiery mill.)

Farm labor is very efficient. They save wastes by decreasing seconds and increasing first-quality products. They are not up late at night. (An official of another hosiery mill.)

Farm laborers are better, more satisfied than city labor and apply themselves more. They come to learn. City laborers think they already know all they need to. (A chair-factory official.)

It is to our interest to keep the farm labor. It is the best of all, steady and more industrious than city labor. These people are better citizens, 100-percent Americans. We are very well satisfied with them. (An official in a cordage mill.)

The factory officials' replies to a question on the apparent satisfaction of the farm people working in their factories indicated that to all appearances this group of employees is at least as well satisfied as the average of all their workers. One evidence cited by more than half the officials was that applications for work by people living on farms far exceeded the needs of these factories. On the other hand, at least some of this eagerness exhibited by farm people seems to have been one of the results of a price deflation that had greatly reduced both farm incomes and the relative purchasing power of these incomes.

All but nine of the officials reporting for their factories stated that the local labor living in their respective communities possessed the necessary skill required in the manufacturing processes that were being employed. Eight reported that it was necessary to bring in certain forms of skilled labor from time to time because of a local dearth in these crafts. This question was not interpreted so as to include highly trained foremen, superintendents, or specialists that are required by some of the factories; rather it was applied to the bulk of the employees. For the processes being carried on by this group of factories, in the opinion of the officials, the rural labor in their respective localities possessed practically all the skill needed or could be trained readily to do most of the work required.

SOURCES OF DESIGNS

In a number of these manufacturing activities, the designs for the products to be turned out are an important element in determining success or failure. Such designs were involved in 80 of these factories. The officials of these factories reported getting the designs locally in 66 instances and from elsewhere (frequently the headquarters of the company in the case of branch factories) in 17 instances, 3 officials stating that both sources were used. In the light of this opinion of the interviewed officials, it appears possible to make most of the needed designs at the individual factory, though doubtless many of the ideas back of these designs were obtained elsewhere by those responsible for their development.

MARKET OUTLETS

A brief classification of the principal market outlets used by the 104 factories is given in table 12, several of the officials mentioning 2 or more outlets for their plants. The use of wholesalers is most prominent for all but one of the industrial groups while the forest-products group does more marketing to consumers—chiefly other factories that take the partially finished products of the factory units studied and carry the process of manufacture, in most cases, to completion.

TABLE 12.—*Market outlets for finished products as reported by officials for factories having plant valuations of $200,000 or less, classified by major type of industry, 1931*

Market outlet	Outlets classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
	Number	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
Wholesalers of all types	39	12	6	4	2	3	66
Retailers of all types	20	9	1	4	2	2	38
Consumers, including other factories	7	16	1	2	1	1	28
Total [1]	66	37	8	10	5	6	132

[1] Some factories were reported as using more than 1 type of market outlet.

Railroads were reported as being used most frequently as the transporting agency for the products of these factories, but motor trucks figured quite prominently. In the absence of volume statistics for these two means of transportation, their comparative importance is not altogether clear, but apparently the railroads were getting most of the long haul and much of the more bulky products, whereas motor trucks were being used to transport the products going to nearby markets and to transport some of those having relatively high value in relation to weight and bulkiness to markets at some distance away. The fact that several factories did not have railroad sidings at their buildings probably favored a larger use of motor trucks in contrast to other plants having access to railroad cars without the necessity of an intermediate haul.

Table 13 indicates the approximate severity of competition in marketing products as reported by officials of the 104 factories. Evidently the large majority were operating in highly competitive fields. Yet their production costs and the nature of their products were such that these comparatively small factories in rural areas had been able to survive, many after 20 years or more in operation, in the face of stiff competition, often with much larger and more highly mechanized urban factories.

TABLE 13.—*Replies of factory officials to questions: "How much competition does your factory face in marketing its products?" and "If your factory faces competition, where are the competing factories located?" for factories having plant valuations of $200,000 or less, classified by major type of industry, 1931*

Reply	Replies classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
Degree of competition:	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
Severe	44	25	6	4	5	5	89
Appreciable	4	1	2	1			8
Negligible	6			1			7
Total	54	26	8	6	5	5	104
Location of competing factories: [1]							
Local	12	11	2		1	2	28
Intermediate	19	17	3	3	4	2	48
Remote	30	18	2	1		1	52
No information	3		1	1			5
Total	64	46	8	5	5	5	133

[1] This question was asked only of those reporting that they had at least an appreciable degree of competition. Some of the officials reported more than 1 location for competing factories.

The location of competing factories by a rough approximation of distances is given in table 13. In most of the instances of competing factories reported, the competitors are situated elsewhere than in the same rural communities with the factories visited. This condition, however, may mean that employees in many of the 104 factories may not have much opportunity for alternative employment in similar lines of work at convenient distances from their homes should they lose their jobs in the factories where they are now working.

SERIOUS DIFFICULTIES OF THE FACTORIES

Over half the officials reporting for the 104 factories in response to a question asking them to name the most serious difficulties that were encountered during the preceding year, replied that they had experienced no serious difficulties. Practically all of the others gave replies that showed the depression to be the immediate or underlying cause of their troubles.

Information was also sought concerning the difficulties experienced during the preceding 10-year period. The question was not asked in case of factories newly established. Only a few specific difficulties were reported including the following: Low prices and excessive competition, 6; fires and storms, 5; labor problems, 3; financial problems, 2; management problems, 1; miscellaneous, 3. Evidently the interviewed factory officials were, on the whole, pretty well satisfied with what had been accomplished, or perhaps some of them were loath to go into details of this kind.

REASONS FOR SELECTING PRESENT FACTORY SITE

Reasons given by the factory officials as to why these plants had been located in the communities where they were then situated appear in table 14. Several gave two or more reasons. The fact of local ownership or local financial inducements seems to weigh heavily in the opinions of the officials. Desirable sites from the point of view of available land, buildings, machinery, power, water, and/or transportation were mentioned by a number of men. Proximity to raw materials, labor, and markets do not seem to be so important as the

preceding considerations, if the opinions of these factory officials are a fair sample for rural industries generally.

TABLE 14.—*Replies of factory officials to question: "Why is factory operating in this particular community?" for factories having plant valuations of $200,000 or less, classified by major type of industry, 1931*

Reply	Replies classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
	Number	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
Local ownership or financing in whole or in part	22	19	3	1	1	3	49
Favorable local situation as regards land, buildings, machinery, power, water, and/or transportation	13	8	5	2	3		31
Favorable labor conditions	12	3	2		1	2	20
Proximity to raw materials	1	9		1	1		12
Outside company absorbed local concern or was induced to come	8	1		2			11
Proximity to markets	1	4	1		2	1	9
Lack of competition	2	1					3
Other replies	5	3	1	1	1		11
Total [1]	64	48	12	7	9	6	146

[1] Many of the officials gave 2 or more of the classified replies.

FACTORS DETERMINING THE LOCATION OF SIMILAR FACTORIES IN NEW PLACES

Each interviewed factory official was asked to name what he considered the major factors that should determine the location of factories, similar to the one he represented, in new places (table 15). The order of emphasis is somewhat different in this case than it was in the section reporting reasons for the present location of the factories studied (table 14). In the present instance labor conditions and proximity to raw materials are more frequently mentioned than are local financial inducements. Fuel, power, and water resources are stressed especially in the textiles group and proximity to raw materials receives major emphasis among the replies for the forest-products group.

TABLE 15.—*Replies of factory officials to questions: "What are the major considerations that determine the location of similar factories in new places?" for factories having plant valuations of $200,000 or less, classified by major type of industry, 1931*

Reply	Replies classified by major type of industry						Total
	Textiles	Forest products	Food products	Leather products and tanneries	Clay and glass products	Miscellaneous	
	Number	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
Labor conditions	34	15	1	5	2	2	59
Transportation facilities	27	15	1	3	1	4	51
Proximity to raw materials	5	19	1		1		26
Low overhead, including land and building costs, taxes, insurance, etc	10	4		1		2	17
Proximity to markets	4	6		1	2	3	16
Fuel and power resources	14	1					15
Water suitable for manufacturing purposes	8			2			10
Living conditions	5	2		1			8
Banking facilities	4						4
Other replies	1	1				1	3
No information	15	3	7	1	2		28
Total [1]	127	66	10	14	8	12	237

[1] This question was not asked of officials of 28 factories, but many of those asked gave 2 or more of the classified replies.

SPECIAL FEATURES

During the course of the visit to each factory, the field worker was on the lookout for special or unique features that might be of unusual interest. The following are offered as samples:

(1) A farmer started a wood-novelties factory in 1924 because, when he wished to buy a cedar chest, he thought that prices were too high. He started production with two people and $500 invested in a small building and equipment. Later he incorporated with an initial capitalization of $8,000 which has been raised to $12,000, then to $20,000, and recently to $40,000. In 1932 the work was being done in a fine building by 70 employees, 57 of whom were farm people. All stock shares were locally owned. In 1931 the factory made 250,000 small cedar chests, cabinets, and wood novelties. Practically all the necessary machinery has been made at the factory.

(2) A chair factory in a farming community 3 miles from the nearest village had an annual pay roll of $46,517 in 1931, and employed 57 local people, including 21 from farms. Farmers were getting wood shavings from the factory for bedding-down cattle, using the material ultimately as a fertilizer. The factory has been in the same family for 53 years. An experimental farm wood lot was being operated as an adjunct to the factory.

(3) A farmer started in the lumber business in a town 14 miles from his farm. Soon afterward he changed the business to that of manufacturing chairs. The factory, in 1932, had been in the same family for 46 years, and two of the original employees were still at work there.

(4) A carpenter became a wagon repairer, then kept up with the times by becoming an auto-body builder. He was living on and farming an 80-acre place in 1932.

(5) A truck farmer was making pottery as a side line, displaying his products along the road.

(6) A furniture factory, using coal for fuel, changed to wood in 1932 to help out the local farmers.

(7) In a remote village of 1,000 inhabitants in a mountain county a preacher and a farmer-teamster, both desiring larger cash incomes, started a mop factory in 1931 (the second year of the depression), utilizing local timber. They reported: "We have been doing well since we started and expect to do better. We are well pleased."

(8) A successful farmers' cooperative vegetable-canning company in the mountains was putting up wild-strawberry jam as a side line for urban trade, using attractive earthern jars made by local farmers as containers. The factory was paying mountain farm girls a total of $1,200 yearly for picking the berries.

(9) A tannery in a small mountain town bought wood and bark in 1931 valued at $100,000 from farmers of the country side. The fires in its boilers had not been out in 36 years.

(10) A small woolen mill was owned by 10 local people, 3 of them being farmers who owned 90 percent of the stock. The principal stockholder was living on and operating his own farm.

FACTORIES HAVING PLANT VALUATIONS IN EXCESS OF $200,000

In planning this study, a maximum plant value of $200,000 was decided upon as one of the limitations upon cases to be included. As the field work progressed it became increasingly evident that in the same and in other small towns, factories having higher plant valuations were operating and that these factories also were adding significantly to the incomes of many farm families in the vicinity. Therefore, the study was expanded to include 19 larger manufacturing establishments which, except for the fact of higher plant valuations, would qualify on the same bases as the 104 cases already described. A number of these larger units were started as small affairs by local people, including farmers in some cases, but they had grown (sometimes with changes in ownership), during the intervening years until at the time they were studied, their plant valuations exceeded the $200,000 mark. The same data were gathered and tabulated for these factories but in this circular only the more important similarities and differences between them and the factories of lower plant valuation are discussed.

The 11 instances in the textiles group (table 16), include factories making cloth, yarn, and knit goods from cotton, silk, or rayon, and 1 making women's hats. The 4 in the metal-products group include 1 manufacturing typewriters and adding machines; 1, lathes and other heavy machinery; 1, magnetos; and 1, plated silverware. One factory in the forest-products group made furniture and the other made wooden toys and novelties. Two paper mills constitute the final group.

TABLE 16.—*Incidence in present location and number of factories with specified plant valuations as reported by officials for factories having plant valuations in excess of $200,000, classified by major type of industry, 1931*

Item	Factories classified by major type of industry				Total
	Textiles	Metal products	Forest products	Paper products	
Incidence in present location:	*Number*	*Number*	*Number*	*Number*	*Number*
New establishment	7	2	2	2	13
New branch factory	3				3
Relocated factory	1	2			3
Total	11	4	2	2	19
Value of local plant:					
$200,001 to $300,000	2		1		3
$300,001 to $400,000	4			1	5
$400,001 to $500,000	3	1	1		5
$500,001 and over	2	3		1	6
Total	11	4	2	2	19

One of these factories was situated in a village of less than 500 persons (1930 census); 8 in villages of 1,001 to 2,000; 7 in towns from 2,001 to 5,000; and 3 in towns from 5,001 to 7,000 in population. Nine had been operating at their present sites for 20 years or more prior to 1932, 7 from 10 to 19 years, and 3 for 10 years or less. The group as a whole, compared with the 104 factories of lower plant valuations, had been in operation over longer periods at their present

sites and relatively fewer of them were found in the smaller villages. Their heavier demands for labor may have necessitated locating in larger places or the expansion of small factories that were originally located in smaller villages may have caused the villages to increase in size.

The incidence in present locations as reported by the interviewed officials, appears in table 16. New establishments, rather than relocations or new branches, again predominate. Most of them were reported as having plant valuations of $500,000 or less, though in the metal-products group all but one were much higher than this (from 1 to 2 million dollars each).

As might be expected in view of the larger investments involved all of the 19 factories were organized as corporations whereas a few in the lower-value group (p. 9) were organized as partnerships or were owned and operated by individuals. The total number of investors reported by officials for 15 of the 19 factories was 2,866, of whom 161 were listed as farmers and 2,201 as other local people. The four omitted at this point were branches of very large corporations for which it was impossible to get the occupational or classified residence data of investors, many of whom (chiefly holders of coupon bonds) are unknown to any of the corporate officials. Although the number of local investors appears rather large, it is probably true that their total financial interest (and consequently perhaps their control over policies) is distinctly less than obtains for the lower-value plants. Electricity (usually purchased) was the most popular source of power reported, but 2 factories depended entirely upon water power and 2 others upon steam boilers, while several more used various combinations. The lowest horsepower capacity reported for this group was 75 (electric motors) in a textile mill and the highest was 4,500 (steam boilers) in one of the paper mills. All but two required over 100 horsepower each.

The maximum number of persons employed at any time during the year (table 17) is almost three fourths of the corresponding aggregate employment for the 104 factories of lesser plant value (table 6). There seems to be a somewhat greater seasonal variation in the textile mills having higher plant valuations than in the group with lower plant valuations though the original schedules give no indication as to whether this is because of differences in products manufactured, operating policies, or depression influences. The proportion of employees living on farms is somewhat less for the group of higher plant-value factories, whereas the proportion employed on a part-time basis is almost the same for the two groups. Of the 1,201 farm residents employed by the 19 factories, 125 were classed as farm operators.

The estimated average number of days worked per year (1931) ranged from 185 (a forest-products factory) to 300 (a paper mill) with only minor differences as between farm and other residents. The absence of canning factories, the operations of which are highly seasonal, narrowed the range for these 19 considerably compared with the other group of 104 factories. The length of the factory work week (when the plant was in operation) ranged from 40 hours in one of the metal-products plants to 61.5 hours in a paper mill. Most of the textiles group also reported rather long working weeks (50 hours or more).

TABLE 17.—*Season of employment, regularity of employment, and place of residence of employees on farms or elsewhere, as estimated by officials of factories having plant valuations in excess of $200,000, classified by major type of industry, 1931*

Item	Employees classified by major type of industry				Total
	Textiles	Metal products	Forest products	Paper products	
Season of employment:	*Number*	*Number*	*Number*	*Number*	*Number*
Spring	3,554	2,700	650	429	7,333
Summer	3,764	2,510	610	429	7,313
Fall	3,619	2,522	610	429	7,180
Winter	3,993	2,704	650	429	7,776
Maximum number of persons employed at any time during the year [1]	4,218	2,713	650	429	8,010
Regularity of employment, by residence of employees, farm and nonfarm:					
Full time:					
Living on farms	599	332	65	26	1,022
Living elsewhere	2,780	2,143	545	403	5,871
Total	3,379	2,475	610	429	6,893
Part time:					
Living on farms	132	7	40	----	179
Living elsewhere	707	231	----	----	938
Total	839	238	40	----	1,117
All employees:					
Living on farms	731	339	105	26	1,201
Living elsewhere	3,487	2,374	545	403	6,809
Total	4,218	2,713	650	429	8,010

[1] The maximum number exceeds the total reported for any 1 season since not all of these industries reached a peak of employment during the same 3-month period.

Average daily wages ranged from $1.60 to $6 for male employees and from $1.50 to $3 for females with practically no reported differences due to residence on farms or elsewhere. The unweighted averages of these estimates by the factory officials are $3.40 for males and $2.33 for females. These wages appear to be a little higher than those reported by officials of the 104 factories of lower plant valuations. The difference is most conspicuous in the minimum-wage figures. Whether these variations are due entirely to the smallness of the samples studied or whether any of the differences represent a general tendency for larger factories to pay higher wages is impossible to say. The annual pay rolls reported by interviewed officials for the 19 factories totaled $6,457,572, not far from half a million more than the corresponding total for the 104 factories.

The raw materials used by these factories did not come from surrounding farms to the extent that obtains for the lower plant-value group of factories. Of the 19 studied, only 5 made any such purchases while the others, many of which required some raw materials of farm origin, were obtaining such supplies from other localities. In 1931, $175,139 was reported as being paid to local farmers by the five factories mentioned above (table 18). On the other hand, finished products of the 19 factories were valued in total at relatively only a little less than was the output of the 104 factories. This difference in purchases from local farmers may be due to the types of raw materials needed (for instance, the metal-products group accounting for

nearly half the output value of the 19 factories contrasted with a minor part of the output of the other group) to the inability of local farmers to produce the types, qualities, or quantities required and to differences in ratios between costs of raw materials and other items in manufacturing costs.

TABLE 18.—*Value of raw materials bought from local farmers and value of finished products as reported by officials for factories having plant valuations in excess of $200,000, classified by major type of industry, 1931* [1]

Item	Costs and values classified by major type of industry				Total
	Textiles	Metal products	Forest products	Paper products	
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Cost of raw materials [2] bought from local farmers	112,139	----------	9,000	54,000	175,139
Value of finished products	8,616,170	11,800,000	1,285,000	2,480,000	24,181,170

[1] The term "raw materials" includes all physical commodities used by the factories except water, fuel, and packaging.

[2] 2 factories in the textiles group, 2 in the forest-products group, and 1 in the paper-products group reported buying raw materials from local farmers.

In relative terms, the officials reporting for the 19 factories did not stress severity of competition as frequently as did those of the lower-value group. The cause may be that the men who were interviewed in the local branch factories of the higher value group were not so well informed about the merchandising difficulties of their organizations or it may be that some of these factories (by reason of greater producing power) were able more nearly to dominate their respective markets.

Six of the nineteen factories were reported as having faced no serious or unusual difficulties during 1931 while all of the specific problems mentioned were directly or indirectly traceable to depression influences. Major difficulties occurring during the decade prior to the depression seem to have been conspicuous by their absence, for 14 out of 17 officials, each reporting for a different plant, stated that their factories had faced no serious problems during this period. This may be a natural response of depression-harassed officials looking back to "the good old days" or it may have been the prevailing experience of the booming twenties.

Some of the unique features encountered during the discussions with officials of these 19 factories are the following:

(1) The factory manufacturing silverware, owned and operated a 1,000-acre dairy farm, the products from which were sold largely to employees and other townspeople. A community association composed of employees of the factory had bought 50 acres of land and was reforesting the tract. This association also managed a 35-acre apple orchard owned by the manufacturing concern.

(2) A small-town hosiery mill employing 550 persons (140 from farms) has had on its pay rolls, since the time it was opened in 1918, just one employee who previously worked in another mill. The policy of this mill is to train the local people who want employment and retain them in the ranks as long as possible.

(3) A paper mill in a town of 1,200 population owned a 400-acre farm with a herd of 125 registered dairy cows. Good farm practices have been developed as an example to local farmers.

(4) A factory making women's hats, because of seasonal demands, has been able to give winter employment to a number of farm people. For those living too far away for convenient daily travel, comfortable hotels operated on a cost basis have been provided. The company also operates a 1,300-acre dairy farm.

(5) One of the paper mills has been buying much pulpwood from farmers since 1906; in some years these purchases total $100,000 or more. The mill has given forestry demonstrations showing farmers how to thin out timber properly, how to clear land, how to encourage suitable reforestation, etc.

The reasons given by interviewed officials of the 19 factories as to why these plants were established in the present locations stressed chiefly such advantages as suitable land, buildings, or power obtainable at reasonable cost, and secondly various inducements offered by the local people to get such factories in their communities. This response differs somewhat from that of officials of the lower-value plants in that the latter gave greater emphasis to local ownership or financial inducements.

Table 19 contains the replies of officials of eight of the higher value plants to a question asking them to name what they considered were the most important things to consider in locating similar factories elsewhere. For this group, labor conditions seem most important, followed by transportation facilities.

TABLE 19.—*Replies of factory officials to question: "What are the major considerations that determine the location of similar factories in new places?" for factories having plant valuations in excess of $200,000, classified by major type of inaustry, 1931*

Reply	Replies classified by major type of industry				Total
	Textiles	Metal products	Forest products	Paper products	
	Number	*Number*	*Number*	*Number*	*Number*
Labor conditions	6		1	1	8
Transportation facilities	6			1	7
Cheap land and reasonable taxes	3		1		4
Power resources	3			1	4
Proximity to raw materials	1		1	1	3
Living conditions	2		1		3
Proximity to markets			1		1
No information	5	4	1	1	11
Total[1]	26	4	6	5	41

[1] This question was not asked of officials of 11 factories, but many of those who were asked the question gave 2 or more of the classified replies.

THE FACTORY SITUATION IN TWO TOWNS

During the course of the survey two North Carolina towns were visited in which several factories of the type here included were operating. Some of the statistics for the factories in these two towns are given in table 20.

TABLE 20.—*Number of employees, number of investors, value of plant, total pay roll, amount paid farmers for raw materials bought, and value of finished products as reported by officials of 15 factories in 2 North Carolina towns*

Town	Factories included	Employees		Investors				Value of plant	Total pay roll	Amount paid local farmers for raw material	Value of finished product
		Living on farms	Total	Local			Total				
				Farmers	Others	Total					
	Number	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
A	10	226	1,192	3	44	47	57	853,243	752,589	33,743	2,897,761
B	5	296	1,030	36	782	818	822	1,593,231	712,616	----------	2,344,278

Town A had a population of 5,021 in 1930 and town B had 1,816. Both had practically doubled in population during the preceding decade—at least in part an evidence of their expanding industries. The people in and around town A are mostly native-born Americans of several generations.

The area around town B was settled principally during the period from 1870 to 1880 by people who came from southern France. Their farming operations did not prove profitable and some of the young folks migrated in search of work. One of these who found employment in knitting mills accumulated a little wealth. Subsequently he returned to this locality and established over a period of years several factories which provided employment for others of his people.

The factories for which schedules were secured in town A consisted of 5 textile mills, 4 forest-products factories, and a broom factory. Those in town B were all textile mills of various types.

In addition to the income represented by pay rolls and amount paid farmers for materials bought from them, the factories in these two towns have returned considerable sums to the local investors and at least three factories have paid out several thousand dollars annually for piecework done in the homes.

Both towns take pride in their paved streets, good schools, and other civic improvements, and in their attractive churches and homes. Several local citizens claimed that these towns were weathering the depression in a better way than many others, because their factories, largely home-owned, had been kept running at least on a part-time basis. In addition, some of their people were reported as producing much of their own food needs, and those who were not so doing could buy at substantially less than city prices. Most other living costs were said to be cheaper, too, so a little cash income went a long way.

OPINIONS OF OTHER LOCAL PEOPLE

OPINIONS OF FARM PEOPLE EMPLOYED IN FACTORIES

Following the interviews with factory officials, the results of which are included in preceding pages, 132 employees of the same factories who live on farms were also asked a number of questions dealing with the farm-factory combination as a means of raising standards of living, retaining young people on farms, etc. The principal trends indicated by their replies are given briefly in this section.

Most of these employees lived on farms within a 5-mile radius of their places of work, 84 of the 119 who gave specific distances being thus situated while only 7 lived over 10 miles away. A large majority (114 out of 132) said that the increased cost of getting to and from work occasioned by their residence on farms, did not seriously offset the advantages they enjoyed in so living, whereas 4 felt that these advantages were offset in whole or in part by transportation costs; the others were noncommittal on this point. The factory officials also indicated that the distances involved were not a problem and that farm residents, on the whole, reported as regularly and as promptly as did the others.

The sizes of farms upon which these employees live were reported as follows: 24 said they lived on farms of 25 acres or less, 32 on farms of 26 to 50 acres, 40 on farms of 51 to 100 acres, and 21 on farms of more than 100 acres. This information was not obtained for 15 of these people. Most of these farms are much larger in area than would seem necessary for purely subsistence purposes, and doubtless a considerable number were being operated as commercial enterprises while furnishing a home to some members of the household or family who worked in factories. On the other hand, there was some evidence to the effect that on the whole the factory employees who were farm residents were living on farms of less-than-average size in their respective communities.

Ninety-one of this group of employees said that the farms on which they were living were general in type of farming carried on, 8 were said to be truck farms, 8 dairy farms, 4 livestock farms, 2 cotton farms, 1 tobacco farm, and 1 fur farm (foxes). Seventeen did not give definite information on this point. Practically no changes in types of farming were mentioned as the result of factory employment. Few of the 132 employees appear to be doing much farm work themselves since 121 stated that factory employment did not interfere with the farm-work schedule. Recalling the rather long work week in practice in most of the factories (p. 12 and 24) it seems unlikely that these employees were able to do very much work on the farms where they were living. Others in the farm household evidently must have been carrying on most of the farm-production activities. Eight employees reported some interference between factory and farm work. One said that he hired help on the farm, one that he rented out some of his farm, and one remarked that his work in the factory caused more work for those at home on the farm.

Only 9 of the 132 employees thought that the factories in which they were working made some distinction between farm and nonfarm residents in employment opportunities, 2 of these stating that in times of slack work farm residents were the first to be laid off. Of the rest, 112 seemed sure that no distinctions were being made with regard to place of residence.

The question of the effect of factory employment of farm residents upon the retention of young people on farms was asked chiefly of the younger employees who were interviewed, 71 persons giving definite replies. Thirty-six of these (mostly young men) stated that unless they personally were able to secure such near-at-hand nonfarm employment they would have to leave the farms on which they were living and go to the cities in search of work. Eighteen persons (chiefly young women) said that such factory employment had no

effect upon keeping young folks on the farm, while 17 said that it was of some positive influence in slowing up the cityward migration, but they did not seem so sure of their ground as did the others who answered. Several of the affirmative group added that only this off-the-farm employment made it possible for their folks to continue farming.

Replies to the question: "Since working in the factory, do you have more money to use for food, clothing, personal expenses, recreation, and other purposes?" were practically unanimous in the affirmative for each item. The young people were especially emphatic in their answers, many remarking that on account of dwindling farm incomes the amounts they have to spend on these items would be very small indeed were it not for factory work.

The young people interviewed were asked the question: "Do young folks spend money earned in the factory for themselves or do they put it into the family's general cash fund?" Thirty-six replied that part of the factory income was put in the general family cash fund and part spent for themselves, 32 that all of these earnings were placed in the family's cash fund, and 6 that all of these earnings were spent directly by the person who worked in the factory. Apparently most of the replies were personal testimonies. Their tenor may be an indicator of the parental-control practices in these families.

Replies to questions concerning the effect of employment of farm people in local factories upon the standards of living of the families affected and similarly upon conditions in the rural areas where such employment is prevalent were practically unanimous on the side of better living conditions in both the individual families and for the areas as a whole. The interviewed employees were substantially in agreement on the advantage of factory employment for farm people as a means of supplementing farm incomes and raising living standards. If these answers are unduly optimistic, it is probably because the factories that were studied have been above average successes in their respective localities and that they have been comparatively free from labor disturbances and other phases that would tend to embitter their employees toward the prevailing factory and wage system.

OPINIONS OF CITIZENS CONCERNING EFFECT OF RURAL FACTORIES UPON TOWN AND COUNTRY

During the course of the field work one or more civic and business leaders in each locality where factories were selected for study were asked to give their opinions concerning the effect of these factories upon various social and economic conditions. Bankers, lawyers, merchants, editors, local government officials, agricultural extension workers, and others were among the 194 who were interviewed. Their replies, though probably more or less biased because of a wish to give their home communities a good appearance, contain some helpful supplementary information. Several of the questions were the same as those asked of the factory employees living on farms but the subject was approached more as a community matter than as an individual situation.

The effect of the factories upon the homes of the community was reported as favorable by 146 persons and as of no consequence or unfavorable by 42; the rest did not commit themselves. More home

ownership, more and better home furnishings and improvements, and better living conditions generally, were stressed by those who gave affirmative replies. Three reported that the factories had had an unfavorable effect upon the morale and solidarity of the home while 39 felt that the homes were no better or no worse as a result of the building and operation of factories in the locality.

Of the 194 citizens interviewed, 181 were convinced that the coming of factories had been of some influence in raising family living standards on surrounding farms, many citing two or more specific ways in which this had come about. The three most frequently mentioned ways are as follows: Employment of farm people in factories has increased the cash available for family living; the purchase of raw materials from farmers has had a like result; and the increased population drawn in by the factory has caused better local markets for farm produce. Only 2 of the citizens felt that no favorable change in farm living standards had come about, and 11 were not sure. This is the most nearly unanimous favorable response to any of the questions that were asked of the local leaders.

The factories have been of some influence in keeping young folks on the surrounding farms while affording some of them an opportunity to work at the factories, according to 131 of the interviewed citizens. On the other hand, 32 felt that the factories had had little or no effect in this regard, 8 said that such factories had increased the drawing power of nonfarm areas upon farm-reared young people, and 23 did not venture an opinion.

The presence of factories in their communities had been responsible for some reductions in the former isolation of farm people, according to 140 citizens. The chief specific mentioned changes follow. Farm people make more contacts with other people as a result of factory employment or sale of farm products. Farm people are able to spend more money for such isolation-reducing things as automobiles, radios, telephones, moving pictures, newspapers, and periodicals. Twenty-five persons felt that factories in their communities had been of little or no effect in reducing farm isolation.

Schools have benefited considerably by the presence of factories according to 144 of the 194 citizens, several mentioning two or more specific improvements. Prominent among these effects are increased school income due to additions to the local tax roll, more children sent to school and the better school facilities that have been made possible by the augmented tax income. Forty citizens felt that little or no change in their schools could be ascribed to the establishment of factories while eight said that the factories caused young children to leave school or that the special continuation schools required to keep up the education of young factory employees were a financial liability to the locality.

Medical services of the communities in which the factories studied are situated have been benefited by these industrial developments according to 143 citizens. A number cited specific instances in which factories had helped in the building of hospitals, and had provided various medical services for their workers (and sometimes the families as well), while others cited the fact that the increased cash income from factory employment had caused demands for more and better medical services from private practitioners, hospitals, etc. Forty-two

citizens said that little or no change in medical services had resulted from the presence of factories.

The building and operation of these factories was also given considerable credit for other local improvements, some confined principally to the towns but others reaching out into surrounding rural areas. Paved streets and highways, better stores, churches, and public buildings, and more community organizations were most frequently cited. Seventeen citizens stated that factories were solely responsible for bringing electric power to their towns, in some instances the factory itself supplying the power for town use and in others the factory management inducing a utilities company to build a local generating plant or to extend its distribution system to include this locality. In the opinion of 53 additional citizens, the factories had been at least in part responsible for such developments, and 121 said that the factories had been in nowise responsible for the providing of electric power for general use.

The effect of these factories upon town-country relations was given as favorable in the opinion of 137 of the citizens, as unfavorable by 5, and of little or no effect by 26, while 26 did not give any reply to the question. In general, the improved town-country relations were held to be the result of increased contacts with townspeople on the part of those living in the surrounding areas. The tendency seems to have been more of urbanization than of a mutual interchange of cultures and viewpoints. On the other hand, two of the people giving negative replies indicated that the growth of a village into a larger town had served to isolate it from the countryside because of the rapid rate of urbanization that probably reached only those living in or very close to the expanding center.

EASTERN SHORE BARREL FACTORIES

The 15 barrel factories included in this part of the circular depend entirely upon local farmers as a market for their products. The industry is incidental to the shipping of the Eastern Shore potato crops. Because of the depletion of suitable local timber, few of these factories were doing more than assembling barrel parts manufactured elsewhere. Yet because of its close tie-up with agriculture a brief study of this industry seemed desirable. Only the more significant details are given here.

Twelve of the 15 factories were owned by individuals (8 being farmers), 2 by corporations, and 1 by a partnership. All used hand power and all were "going concerns" though they operated only a few months each year. One was run as a part of a lumber business, the latter being practically in continuous operation. Ten were reported as gaining in volume of output in the decade prior to 1930 owing largely to increased production of potatoes in the localities they were serving. Five for which declines in volume were reported during the same period were said to be suffering from local decreases in potato acreage, increased competition, or low prices for potatoes, or a combination of these conditions.

The foremen of these barrel factories were usually white men (eight being farm operators also), and the laborers were mostly Negroes. Wages of the latter were commonly on a piecework basis, ranging from $2 to $4.25 per day in 1930. The laborers, as a rule, lived in

the vicinity, many of them on plots of ground large enough to grow food for the family. At other seasons of the year they found employment on neighboring farms, in the sea-food industry, or elsewhere. A few were farming on a small scale. A number of the laborers, however, were itinerants migrating from one place to another as seasonal work (chiefly in agricultural or related industries) opened up or ended. Most lived within walking distances of their places of employment.

For the year 1930 there were 223 employees in the spring (chiefly after May 1), 239 in the summer, 18 in the fall, and 7 in the winter, although during fall and winter the small number of workers retained worked only intermittently. The output for this year totaled 1,589,000 barrels, valued at $564,903. The barrels were delivered to the farmers by motor truck, few traveling over 10 miles for this purpose. Four factories reported buying pine and gum wood from local farmers, totaling $24,150, but nearly all such materials were bought at distant points.

The chief difficulty reported was poor collections owing largely to the prevailing low prices for potatoes. Likewise the men furnishing information for these factories said that the opportunities for improvement in their business depended chiefly upon the income received from potato growing. Some of these men were apprehensive over the increasing use of burlap sacks instead of barrels as containers, while others thought that only controlled production of potatoes would bring returns sufficient to permit paying better prices for barrels.

The barrel industry of the Eastern Shore has some significance as an employer of local labor, much of which, because of its seasonal character, is geared in with other opportunities for local employment. It yields a supplementary source of income, as a rule, to a number of farmers who have an ownership interest in the factories, and it provides for the convenient and economical assembling of the large number of barrels that are used annually in marketing the most important crop of the Eastern Shore.

CONCLUSIONS

In the light of what has been presented, the following conclusions seem to be warranted, recognizing that these conclusions apply to localities other than those studied only insofar as underlying conditions produce similar results.

Factories in small towns or in the open country are offering five different sources of income to many farm people who live within convenient distances of such establishments: (1) By selling some of their farm products to the factories as raw materials for manufacturing purposes, (2) by full- or part-time employment at the factory, (3) by performing certain steps in the manufacturing processes in their own homes or in small farm shops, (4) because of financial investments in the factory by having a claim upon some of the profits of the business, and (5) by selling foodstuffs and possibly other farm products on local markets that have been expanded because of the presence of the factory.

A number of recent trends in transportation, communication, power transmission, machine design, etc., have removed some of the advantages that formerly urged the locating of many types of factories in

the larger cities or their immediate environs. Some of the foregoing and some additional changes have also removed many of the former handicaps of living in unincorporated territory.

Farm people in agriculturally handicapped areas are welcoming such opportunities to supplement their dwindling farm incomes as a more desirable alternative to migrating elsewhere in search for a reasonable income.

The reports of the factories studied seem to indicate that many are doing well in rural districts in addition to their significant contributions to the income of the localities in which they are situated. These reports also show that, at least for the cases studied, the effect of such factories upon standards of living, schools, roads, and other socio-economic facilities has been good as a general rule. Furthermore, such factories appear to have been of some influence in keeping some of the local young people on farms while they are working in these plants.

The agencies interested in rural planning will do well to go very thoroughly into the possibility of locating small factories in localities where commercial agriculture cannot succeed in competition with the better lands, but where the existing farm population can find at least part-time employment while continuing food-raising activities for their own use. Likewise it may be that some urban factories and the families dependent upon them might be moved to the same or to other rural localities where a similar combination of factory employment and small-scale farming for home consumption can be developed to the mutual advantage of employers and employed.

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